

By Mr. Connolly of Everett, petition of Edward G. Connolly relative to the priority of certain interests in bankruptcy proceedings. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Seven.

AN ACT CLARIFYING CERTAIN INTERESTS IN BANKRUPTCY PROCEEDINGS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Chapter 183 of the General Laws, as appearing in the 1992  
2 Official Edition, is hereby amended by striking out Section 4 and  
3 inserting in place thereof the following section:—  
4 Section 4. A conveyance of an estate in fee simple, fee tail or  
5 for life, or a lease for more than seven years from the making  
6 thereof, or an assignment of leases, rents or profits from an estate  
7 or lease, shall not be valid as against any person except the  
8 grantor or lessor, his heirs and devisees, and persons having actual  
9 notice thereof, unless it, or an office copy as provided in section  
10 thirteen of chapter thirty-six, or with respect to such a lease or an  
11 assignment of leases, rents or profits, a notice of lease or a notice  
12 of assignment of leases, rents or profits, as hereinafter defined, is  
13 recorded in the registry of deeds for the county or district in which  
14 the land to which it relates lies. For the purposes of this section,  
15 the term “notice of lease” shall mean an instrument in writing exe-  
16 cuted by all persons who are parties to the lease of which notice is  
17 given and shall contain the following information with reference  
18 to such lease: the date of execution thereof and a description, in  
19 the form contained in such lease, of the premises devised, and the  
20 term of such lease, including the date of commencement of such  
21 term, and all rights of extension or renewal; and the term “notice  
22 of assignment of leases, rents or profits” shall mean an instrument  
23 in writing executed by the assignor and containing the following  
24 information: a description of the premises, the rents or profits of

25 which have been assigned, adequate to identify the premises, the  
26 name of the assignee, and the rents or profits which have been  
27 assigned. A provision in a recorded mortgage assigning or condi-  
28 tionally assigning rents or profits or future rents or profits shall  
29 constitute “notice of assignment of leases, rents or profits”.

30 Upon recordation of an assignment of leases or rents or profits  
31 or a “notice of assignment of leases, rents or profits” in the  
32 registry of deeds for the county or district in which the land to  
33 which it relates lies, the interests of the assignee shall be fully per-  
34 fected, valid and enforceable as against the assignor and all subse-  
35 quent assignees, purchasers, mortgagees, other lien holders and all  
36 other persons whomsoever, without the necessity of (i) furnishing  
37 notice to the assignor or any lessee, (ii) making entry or taking  
38 possession of the property, or (iii) making any affirmative demand  
39 or taking any other affirmative action whatsoever including, but  
40 not limited to, legal action.

41 Nothing herein contained shall be construed so as to limit or  
42 otherwise affect the rights or interest of a lessee whose lease or  
43 rent payments have been so assigned.